

25 July 2022

To The Honorable Martin Glenn,

Thank you for taking the time to review the letters and overall matter which is currently occurring with the Celsius Company and their patrons who were lied to. I write to you today as I am a Celsius depositor with an account that had a balance ranging in 108.8 BTC. There are three essential points I convey to you today in regards to the detrimental and negative impact Celsius caused:

1. As a Celsius depositor, Celsius and Alex Mashinsky lied about the safety measures in place to protect the cryptocurrency deposits made.
2. Celsius and Alex Mashinsky withheld and were deceitful with the gravity of risk they were taking with cryptocurrency deposits in their effort to produce yield.
3. Celsius and Alex Mashinsky dramatized the true potential there was in the storing value with Bitcoin (BTC) through Celsius.

#### The Repeated Lies About Safety

As we now suspect based on the information shared by Alex Mashinsky, beginning in mid-2021, Celsius began experiencing significant financial health issues. For example, the large amount of private debt which was never made known to Celsius patrons; and the loss of 38,000 Ethereum tokens caused by misplaced keys.

Those who trusted and deposited into Celsius were under the impression the company was operating as normal, and there were no economic concerns depositors should be wary of. Due to the information publicly available to access, for the most part Twitter and Alex Mashinsky's AMA's ("Ask Mashinsky Anything"), the safety of our coins, tokens, and the company's future remained secure.

Not only were lies of omission present, but black-and-white lies on platforms such as Twitter were published for the public to view. On 12 June 2022, Alex Mashinsky himself stated on Twitter there was no issue for anyone to withdraw their cryptocurrency from Celsius. This tweet was posted merely several hours before all withdrawals were halted. Preceding the tweet on June 12th, unethical and deceitful marketing tactics were conducted up to days prior to the withdrawal freeze. The Federal Trade Commission Act itself bars any dishonest or deceptive marketing in any means. Ensuring companies must tell the truth and not mislead consumers through their marketing tactics. Celsius sent official letters claiming they themselves had one of the "best risk management teams in the world" with "the reserves (and more than enough ETH) to meet its obligations." This letter alone violated the FTC Act, and this was simply one example.

Lies About the Risks Taken

Celsius appeared to be such a reliable and safe company because of Alex Mashinsky's constant reassurances in his AMA's ("Ask Mashinsky Anything"), his tweets, and official correspondents with his patrons. Alex Mashinsky never disclosed his use of depositor funds to front many risky financial activities; and rather, implied all of these ventures were separate. Given Alex Mashinsky's constant reassurance Celsius' lending stemmed from overcollateralization which made depositors comfortable and secure using Celsius as their cryptocurrency platform.

Rather than utilizing the overcollateralization they claimed to have, Alex Mashinsky and Celsius did the exact opposite. Alex Mashinsky and Celsius invested in many risky bitcoin mining operations privately, undercollateralized lending, decentralized finance, used complex trading strategies which included cash and carry trades, and severe market making.

As a depositor, being repeatedly lied to about the safety of my investments and made to believe through Alex Mashinsky and Celsius' marketing tactics that the company was secure and practiced safe financial ventures made it feel safe to utilize Celsius as there appeared to be much less risk than there was in actuality.

Dramatization of True Potential in the Storing Value with Bitcoin (BTC) through Celsius

The reason I felt so comfortable trusting Celsius with my BTC and overall cryptocurrency investment was because of the true potential in the storing value Celsius advertised. I was confident because of Alex Mashinsky's consistent reassurances that my investment was as safe and lucrative as an investment could be.

By repeatedly instilling that confidence in myself and my fellow depositors, I am confident that is why Celsius had so many patrons. Yet, we have now reached a point where transparency has been made, and all the potential value in storing our BTC with Celsius was simply a facade due to Celsius' unethical financial practices as they were filled with lies and deceit.

Whether the lies were written in black-and-white or were lies of omission, Alex Mashinsky and Celsius failed their depositors significantly. They consistently lied, withheld crucial information, and inflated the true value one could earn on their cryptocurrency through Celsius. They practiced unethical and illegal marketing tactics in an effort to gain the crypto community's trust which in turn has created a significant financial crisis to many. I plead you recognize the irreparable damage and turmoil Alex Mashinsky and Celsius has done to the financial health of many. The collateral damage Alex Mashinsky has caused is inexcusable and dishonorable.

Thank you for your time and your consideration,  
J.E.M.